

Stock Code: 600690 (SH) 、 690D (FSE)

Bond Code: 110049

Short Name: Qingdao Haier

Bond Name: Haier Convertible Bonds

Qingdao Haier Co., Ltd.

2019 First Quarterly Report



Haier

海尔智慧家庭
定制美好生活

Haier

定制美好生活

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(Note: This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.)

I. IMPORTANT NOTICE

1.1 The Board of Directors, the Board of Supervisors, directors, supervisors and senior management of Qingdao Haier Co., Ltd. (“the Company”) hereby assure that the content set out in the quarterly report is true, accurate and complete, and free from any false record, misleading representation or material omission, and are individually and collectively responsible for the content set out therein.

1.2 Information of Directors absent. from the meeting

Position of director absent from the meeting	Name of director absent from the meeting	Reason for the absence of director from the meeting	Name of proxy
Director	Liu Haifeng	Personal affair	Wu Changqi

1.3 Liang Haishan (legal representative of the Company), Gong Wei (chief financial officer of the Company) and Ying Ke (the person in charge of accounting department) hereby certify that the financial statements set out in the quarterly report is true, accurate and complete.

1.4 The first quarterly report of the Company has not been audited.

II. COMPANY PROFILE

2.1 Key financial data

Unit and Currency: RMB

	At the end of the reporting period	At the end of last year		Increase/decrease at the end of the reporting period compared with the end of last year (%)
		After the Adjustment	Before the Adjustment	
Total assets	177,444,803,072.13	166,699,544,243.79	166,699,544,243.79	6.45
Net assets attributable to shareholders of listed companies	41,076,912,031.44	39,402,350,791.68	39,402,350,791.68	4.15
	At the beginning of the year to the end of the reporting period	At the beginning of last year to the end of the reporting period of last year		Yoy change (%)

		After the Adjustment	Before the Adjustment	
Net cash flows from operating activities	1,323,519,988.31	2,170,214,541.28	1,990,934,744.45	-39.01
	At the beginning of the year to the end of the reporting period	At the beginning of last year to the end of the reporting period of last year		Yoy change (%)
		After the Adjustment	Before the Adjustment	
Operating revenue	48,043,265,870.34	43,609,601,739.36	42,655,164,567.37	10.17
Net profits attributable to shareholders of listed companies	2,136,268,479.08	1,952,610,308.35	1,979,995,364.53	9.41
Net profits after non-recurring profit or loss attributable to shareholders of listed companies	1,887,324,275.73	1,761,919,417.70	1,761,919,417.70	7.12
Weighted average return on net assets (%)	6.62	7.02	5.99	decrease 0.40 percent point
Basic earnings per share (RMB per share)	0.335	0.320	0.325	4.69
Diluted earnings per share (RMB per share)	0.323	0.317	0.321	1.89

Note: In Q1 of 2019, the Company's income from white goods & kitchen & bathroom electric appliances increased by 13.3%; not considering that Candy is consolidated in the statement, the Company's income from white goods & kitchen & bathroom electric appliances increased by 8.1%. 1) Chinese market. Under the adverse environment of business downturn in the industry, the Company maintained an increasing trend for all lines of products through deepening the transformation of retail and boosting full-network management and four-in-one network. According to the monitored data of CMM, in January-March 2019, retail sales of Haier brand refrigerator, washing machine, household air conditioners, water heaters, kitchen ventilators and gas stoves increased 1.57, 3.06, 1.26, 1.43, 1.37 and 1.45 percentage points on year-on-year basis, respectively; Casarte maintained rapid growth in Q1 and

constantly increased its market share. 2) Overseas market. Based on the independent brands and the three-in-one layout, the Company went deeply into the global market and maintained rapid growth in the overseas market. The income increase in North America (GEA) is more than 10% (on the USD standard); in January 2019, the Company accomplished the delivery of Candy. After the delivery, the integrated operation is smooth and Candy maintained good development trend in January-March.

Non-recurring profit or loss items and amount

☒ Applicable ☐ Not Applicable

Unit and Currency: RMB	
Items	Amount for the current period
Profit or loss from disposal of non-current assets	-7,007,479.65
Tax refund, reduction or exemption with approval exceeding authority or without official approval or occasionally	
Government grants included in current profit or loss, except that closely related to the normal operating business, complied with requirements of the national policies, continued to be granted with the amount and quantity determined under certain standards	27,414,780.52
Profit and loss of changes in fair value arising from holding of trading financial assets and trading financial liabilities except for valid straddle business relevant to normal business of the company, as well as investment gain realized from disposal of trading financial assets, trading financial liabilities, financial assets available for sale	211,562,253.14
Other non-operating income and expenses except the aforementioned items	84,476,113.57
Minority interests(after tax)	-51,290,873.00
Income tax	-16,210,591.23
Total	248,944,203.35

2.2 Table of total number of shareholders, top ten shareholders, top ten common shareholders (or the shareholders without selling restrictions) by the end of the reporting period

Unit: Share					
Total number of shareholders			172,948		
Shareholdings of top ten shareholders					
Name of shareholder (full name)	Number of shares held at	Perce ntage	Number of shares held	Status of shares pledged or frozen	Nature of shareholder

	the end of the period	(%)	subject to selling restrictions	Status	Number	
Haier Electric Appliances International Co., Ltd.	1,258,684,824	19.76		Nil		Domestic non-state-owned legal entity
Haier Group Corporation	1,072,610,764	16.84		Nil		Domestic non-state-owned legal entity
Hong Kong Securities Clearing Co., Ltd	605,276,447	9.50		Unknown		Unknown
GIC PRIVATE LIMITED	232,920,332	3.66		Unknown		Foreign legal entity
China Securities Finance Corporation Limited	182,592,697	2.87		Unknown		Unknown
Qingdao Haier Venture & Investment Information Co., Ltd.(青岛海尔创业投资咨询有限公司)	172,252,560	2.70		Nil		Domestic non-state-owned legal entity
National social security fund Portfolio 104	97,799,981	1.54		Unknown		Unknown
CLEARSTREAM BANKING S.A. (note)	90,926,856	1.43		Unknown		Foreign legal entity
Central Huijin Asset Management Ltd.	69,539,900	1.09		Unknown		Unknown
Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)	68,583,083	1.08		Nil		Domestic non-state-owned legal entity
Shareholdings of top ten shareholders not subject to selling restrictions						
Name of shareholder		Number of shares held not subject to selling restrictions	Class and number of shares			
			Class	Number		
Haier Electric Appliances International Co., Ltd.		1,258,684,824	RMB ordinary		1,258,684,824	
Haier Group Corporation		1,072,610,764	RMB ordinary		1,072,610,764	
Hong Kong Securities Clearing Co., Ltd.		605,276,447	RMB ordinary		605,276,447	
GIC PRIVATE LIMITED		232,920,332	RMB ordinary		232,920,332	

China Securities Finance Corporation Limited	182,592,697	RMB ordinary	182,592,697
Qingdao Haier Venture & Investment Information Co., Ltd.(青岛海尔创业投资咨询有限公司)	172,252,560	RMB ordinary	172,252,560
National social security fund, Portfolio 104	97,799,981	RMB ordinary	97,799,981
CLEARSTREAM BANKING S.A.	90,926,856	Overseas listed foreign shares	90,926,856
Central Huijin Asset Management Ltd.	69,539,900	RMB ordinary	69,539,900
Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership)	68,583,083	RMB ordinary	68,583,083
Related-parties or parties acting in concert among the aforesaid shareholders	(1) Haier Electric Appliances International Co., Ltd. is a holding subsidiary of Haier Group Corporation. Haier Group Corporation holds 51.20% of its equity. Qingdao Haier Venture & Investment Information Co., Ltd.(青岛海尔创业投资咨询有限公司) Qingdao Haichuangzhi Management Consulting Enterprise (Limited Partnership) are parties acting in concert with Haier Group Corporation; (2) The Company is not aware of the existence of any connections of other shareholders.		
Explanation of preferential shareholders with restoration of voting rights and their shareholdings	Not applicable		

Note: This account is the Clearstream Banking collection account for the Company's D shares, which is the original data provided by the German securities registration agency to the Company after the merger according to local market practices and technical settings, not representing the ultimate shareholder.

2.3 Table of total number of preferential shareholders, top ten preferential shareholders, top ten preferential shareholders without selling restrictions by the end of the reporting period

☐Applicable ☒ Not Applicable

III. SIGNIFICANT EVENTS

3.1 The major changes of and reasons for the items of accounting statement and financial indicators

√Applicable ☐ Not Applicable

- 1) Non-current assets due within one year increased over the beginning of the period by 100% , mainly due to the revenue from the acquisition of CANDY in the current period;
- 2) Use rights assets increased over the beginning of the period by 100% , mainly due to use rights asset recognized according to *Accounting Standards for Business Enterprises No. 21 - Leases*;
- 3) Derivative financial liabilities decreased over the beginning of the period by 54.70% , mainly due to changes in the value of foreign exchange derivative financial instruments;
- 4) Contract liabilities decreased over the beginning of the period by 37.05% , mainly due to the completion of the contract performance corresponding to the payment received;
- 5) Non-current liabilities due within one year increased over the beginning of the period by 194.11% , mainly because long-term borrowings will expire in one year.;
- 6) Lease liabilities increased over the beginning of the period by 100% , mainly due to the lease liabilities recognized according to *Accounting Standard for Business Enterprises No. 21 - Leases*;
- 7) Deferred income tax liabilities increased over the beginning of the period by 102.72% , mainly due to the revenue from the current acquisition of CANDY in the current period;
- 8) Other comprehensive income decreased over the beginning of the period by 47.93% , mainly due to the impact of the translation differences of the statement;
- 9) Gain from disposal of asset decreased by 351.67% yoy, mainly due to the scale of asset disposal decreased over the same period;
- 10) Non-operating expenses increased by 140.58% yoy, mainly due to the increase in one- off expenses recognized in the current period;
- 11) Net cash flow from operating activities decreased by 39.01% yoy, mainly due to the fact that some subsidiaries are stocked according to the rhythm of use;
- 12) Net cash flow from investing activities decreased by 206.54% yoy, mainly due to the impact of cash expenditure resulting from the acquisition of CANDY in the current period;

- 13) Net cash flow from financing activities increased by 292.54% yoy, mainly due to the impact of borrowing resulting from the acquisition of CANDY in the current period.

3.2 Analysis on the progress of significant events and their impact and solution

√Applicable ☐ Not Applicable

(1) **External guarantees:** By the end of the reporting period, the external guarantees provided by the Company and its subsidiaries were guarantees between the Company and its subsidiaries, the total balance of which amounted to RMB19.461 billion, accounting for 47.4% of the Company's latest net assets and 10.9% of the latest total assets.

(2) **Foreign exchange derivative:** By the end of the reporting period, the aggregate balance of the Company's foreign exchange derivative transactions amounted to approximately US\$5.547 billion.

(3) **Entrusted wealth management:** By the end of the reporting period, the balance of the Company's entrusted wealth management amounted to RMB5.873 billion, including two parts: (1) **temporarily-idle fundraising wealth management:** at the end of December 2018, the Company's proceeds for the issuance of convertible corporate bonds were fully landed. In order to improve the yield of temporarily-idle funds, the Company intends to carry out cash management with the amounts not exceed RMB1.5 billion after approved by the Board of Directors. By the end of the reporting period, the balance of the entrusted wealth management amounted to RMB1.5 billion; (2) **wealth management of the Company's Hong Kong listed subsidiary:** Haier Electronics Group Co., Ltd. (hereinafter referred to as "Haier Electronics", stock code: 01169.HK), the holding subsidiary of the Company, has purchased some short-term principal-protected wealth management and structural deposits from the large commercial banks as an independently operating Hong Kong listed company in order to increase the efficiency of the use of idle funds within the authorities of the management and on the premise of safeguarding funds security. In the purchase process, all the necessary board reports were subject to the procedures such as filling and management's review according to the regulations requirements for Hong Kong listed company, so as to ensure sufficient funds for the day-to-day operations of the main business and improve the shareholders' returns. By the end of the reporting period, the balance of the entrusted wealth management amounted to RMB4.373 billion.

3.3 The undertakings that have been past due and not been completed during the reporting period

☐Applicable ☒ Not Applicable

3.4 Warning of and reasons for the forecast that the accumulated net profit for the period from the opening of the year to the end of the next reporting period may be a loss or there is a significant change as compared to that of the same period of last year

☐Applicable ☒ Not Applicable

Name of the Company	Qingdao Haier Co., Ltd.
Legal representative	Liang Haishan
Date	29 April 2019

IV. APPENDIX

1. 1 Financial Statements

Consolidated Balance Sheet

31 March 2019

Prepared by: Qingdao Haier Co., Ltd.

Unit and Currency: RMB Unaudited

Items	31 March 2019	31 December 2018
Current Assets:		
Cash and cash equivalents	35,978,171,406.89	37,456,355,407.28
Provision of settlement fund		
Funds lent		
Trading financial assets	1,931,696,758.82	1,775,648,387.76
Financial assets measured at fair value and changes of which included in current profit and loss		
Derivative financial assets	73,100,239.72	96,723,164.37
Bills receivable and accounts receivable	26,227,996,470.93	24,652,130,810.52
Prepayments	695,077,852.98	594,555,015.00
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	1,910,441,148.95	1,626,975,864.98
Financial assets purchased under resale agreements		
Inventories	22,906,897,890.56	22,377,191,121.53
Contract assets	483,179,995.88	456,781,406.54
Assets held for sale	143,480,001.46	144,091,213.39
Non-current assets due within one year	301,303,935.61	
Other current assets	5,879,549,636.56	5,079,878,909.67
Total current assets	96,530,895,338.36	94,260,331,301.04
Non-current assets:		
Loans and advances granted		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables	309,889,902.16	245,791,343.37
Long-term equity investments	14,102,908,167.25	13,966,481,596.07

Investments in other equity instruments	1,414,185,117.80	1,400,316,460.34
Other non-current financial assets	320,122,724.57	327,358,825.57
Investment properties	29,872,695.75	30,879,147.42
Fixed assets	18,343,588,537.78	17,319,638,881.37
Construction in progress	4,374,810,936.13	3,873,492,230.24
Biological assets for production		
Oil and gas assets		
Right-of-use assets	3,186,601,599.19	
Intangible assets	11,135,182,900.84	9,209,242,721.71
Development expenditure	589,670,184.75	538,382,288.33
Goodwill	22,532,437,320.02	21,155,552,557.16
Long-term prepaid expenses	247,267,225.14	230,763,172.48
Deferred income tax assets	1,842,933,959.36	1,815,624,736.13
Other non-current assets	2,484,436,463.03	2,325,688,982.56
Total non-current assets	80,913,907,733.77	72,439,212,942.75
Total assets	177,444,803,072.13	166,699,544,243.79
Current liabilities:		
Short-term borrowings	7,849,028,283.66	6,298,504,892.57
Borrowings from central bank		
Placements from banks		
Trading financial liabilities	248,863,237.30	218,748,280.33
Financial liabilities measured at fair value and changes of which included in current profit and loss		
Derivative financial liabilities	16,127,928.30	35,603,754.54
Bills and accounts payable	47,451,772,978.04	47,385,218,141.38
Receipts in advance	13,440,073.43	14,681,466.58
Disposal of repurchased financial assets		
Absorbing deposit and deposit in inter-bank market		
Customer deposits for trading in securities		
Amounts due to issuer for securities underwriting		
Staff remuneration payable	2,483,732,174.94	2,651,399,418.05
Taxes payable	2,338,583,800.23	1,838,440,727.39
Other payables	14,183,974,878.35	12,685,677,402.91
Fees and commissions payable		
Reinsurance accounts payable		
Contract liabilities	3,450,932,910.36	5,482,325,888.59

Liabilities held for sale	31,428,396.16	32,362,267.88
Non-current liabilities due within one year	8,867,703,140.27	3,015,060,105.58
Other current liabilities	397,681,487.47	423,638,804.62
Total current liabilities	87,333,269,288.51	80,081,661,150.42
Non-current liabilities:		
Deposits for insurance contracts		
Long-term borrowings	13,578,285,442.78	15,541,466,325.22
Debentures payable	9,117,565,585.15	9,191,896,302.70
Including: preference Shares		
perpetual bonds		
Lease liabilities	2,861,619,896.53	
Long-term employee benefits payable	972,965,927.68	934,974,735.49
Long-term payable	110,931,073.95	106,763,243.99
Estimated liabilities	2,764,974,892.87	2,839,741,079.48
Deferred income	621,676,802.72	643,551,987.30
Deferred income tax liabilities	821,712,030.49	405,343,787.76
Other non-current liabilities	2,101,335,708.92	1,823,866,693.93
Total non-current liabilities	32,951,067,361.09	31,487,604,155.87
Total liabilities	120,284,336,649.60	111,569,265,306.29
Owners' equity (or shareholder's equity) :		
Paid-in capital (or share capital)	6,368,416,700.00	6,368,416,700.00
Other equity instruments	904,485,788.71	904,485,788.71
Including: preference shares		
perpetual bonds		
Capital reserve	2,117,379,369.01	2,208,773,474.57
Less: treasury stock		
Other comprehensive income	402,319,213.59	772,632,347.35
Surplus reserve	2,288,301,317.10	2,288,301,317.10
General risk provisions		
Undistributed profits	28,996,009,643.03	26,859,741,163.95
Total equity attributable to owners (or shareholder) of the parent company	41,076,912,031.44	39,402,350,791.68
Minority interests	16,083,554,391.09	15,727,928,145.82
Total owners' equity (or shareholders' equity)	57,160,466,422.53	55,130,278,937.50
Total liabilities and owners' equities (or shareholders' equity)	177,444,803,072.13	166,699,544,243.79

Legal representative: Liang Haishan

Person in charge of accounting function: Gong Wei

Person in charge of accounting department: Ying Ke

Balance Sheet of the Parent Company

31 March 2019

Prepared by: Qingdao Haier Co., Ltd.

Unit and Currency: RMB Unaudited

Items	31 March 2019	31 December 2018
Current Assets:		
Cash and cash equivalents	3,294,316,781.75	7,068,899,574.96
Trading financial assets		
Financial assets measured at fair value and changes of which included in current profit and loss		
Derivative financial assets		
Bills receivable and accounts receivable	252,252,237.39	222,622,017.43
Prepayments	22,994,199.46	28,809,797.43
Other receivables	2,076,957,299.28	2,082,767,166.58
Including: interests receivable		
dividends receivable		
Inventories	109,177,862.94	124,773,163.23
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,551,615,146.16	109,865,313.53
Total current assets	7,307,313,526.98	9,637,737,033.16
Non-current assets:		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	34,524,465,540.39	33,844,234,315.30
Other equity instruments investments	5,262,480.92	5,262,480.92
Other non-current financial assets		
Investment properties		
Fixed assets	118,109,691.36	119,546,157.40
Construction in progress	52,582,249.41	37,655,076.18
Biological assets for production		
Oil and gas assets		
Right-of-use assets		
Intangible assets	17,125,291.81	17,186,540.33
Development expenses		
Goodwill		
Long-term prepaid expenses	6,193,430.63	5,779,229.64

Deferred income tax assets	81,511,748.07	81,511,748.07
Other non-current assets	30,058,794.50	28,632,829.14
Total non-current assets	34,835,309,227.09	34,139,808,376.98
Total assets	42,142,622,754.07	43,777,545,410.14
Current liabilities:		
Short-term borrowings	1,500,000,000.00	1,500,000,000.00
Trading financial liabilities		
Financial liabilities measured at fair value and changes of which included in current profit and loss		
Derivative financial liabilities		
Bills payable and accounts payable	213,644,252.46	334,747,358.40
Receipts in advance		
Contract liabilities	2,676,603,627.91	2,391,211,509.89
Staff remuneration payable	21,200,110.05	65,387,056.03
Taxes payable	87,613,612.64	67,279,606.39
Other payables	20,041,071,781.16	21,834,869,774.34
Including: interests payable		
dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,869,747.57	2,089,282.56
Total current liabilities	24,542,003,131.79	26,195,584,587.61
Non-current liabilities:		
Long-term borrowings		
Debentures payable	2,535,865,514.77	2,510,530,062.86
Including: preference shares		
perpetual bonds		
Leasing liabilities		
Long-term payable	20,000,000.00	20,000,000.00
Estimated liabilities		
Deferred income	56,820,000.00	67,360,000.00
Deferred income tax liabilities	29,485,678.28	29,485,678.28
Other non-current liabilities		
Total non-current liabilities	2,642,171,193.05	2,627,375,741.14
Total liabilities	27,184,174,324.84	28,822,960,328.75
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	6,368,416,700.00	6,368,416,700.00
Other equity instruments	473,061,264.64	473,061,264.64
Including: preference shares		

perpetual bonds		
Capital reserve	4,182,825,672.98	4,182,825,672.98
Less: treasury stock		
Other comprehensive income	13,005,452.25	7,791,344.47
Surplus reserve	1,683,155,091.65	1,683,155,091.65
Undistributed profits	2,237,984,247.71	2,239,335,007.65
Total owners' equity (or shareholders' equity)	14,958,448,429.23	14,954,585,081.39
Total liabilities and owners' equity (or shareholders' equity)	42,142,622,754.07	43,777,545,410.14

Legal representative: Liang Haishan

Person in charge of accounting function: Gong Wei

Person in charge of accounting department: Ying Ke

Consolidated Income Statement

January-March 2019

Prepared by: Qingdao Haier Co., Ltd.

Unit and Currency: RMB Unaudited

Items	First quarter of 2019	First quarter of 2018
I . Total operating revenue	48,043,265,870.34	43,609,601,739.36
Including: operating revenue		
interest income		
insurance premiums earned		
fee and commission income		
II . Total cost of operations	45,590,068,619.86	41,368,597,195.96
Including: operating cost	34,031,470,881.04	30,999,495,660.70
interest expenses		
Fee and commission expenses		
Insurance withdrawal payment		
Net payment from indemnity		
Net provisions withdrew for insurance contract		
Insurance policy dividend paid		
Reinsurance cost		
Taxes and surcharges	231,507,156.07	224,461,457.41
Selling expenses	7,200,387,965.14	6,423,248,604.88
Administrative expenses	1,868,650,431.02	1,646,313,944.01
R&D expenses	1,534,693,885.11	1,307,185,173.77
Financial expenses	441,163,370.56	518,426,762.70
Including: interest expenses	410,800,313.48	345,053,255.05
interest income	123,961,763.88	135,923,774.22
Loss on assets impairment	215,322,646.22	168,457,066.31

Loss on credit impairment	66,872,284.70	81,008,526.18
Add: Other income	99,386,924.79	105,727,350.18
Investment income (losses are represented by “-”)	295,937,088.57	243,010,339.90
Including: Investment income of associates and joint ventures		
Exchange gain (losses are represented by “-”)		
Gains on net exposure hedges (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)	221,898,309.95	207,293,485.79
Gain from disposal of assets (losses are represented by “-”)	-3,192,061.07	1,268,375.75
III. Operating profit (losses are represented by “-”)	3,067,227,512.72	2,798,304,095.02
Add: non-operating income	105,739,702.28	111,872,540.18
Less: non-operating expenses	21,263,588.71	8,838,321.34
IV. Total profit (total losses are represented by “-”)	3,151,703,626.29	2,901,338,313.86
Less: income tax expense	485,529,907.56	460,952,972.84
V. Net profit (net losses are represented by “-”)	2,666,173,718.73	2,440,385,341.02
(I) Classification by continuous operation		
1. Net profit from continuous operation (net losses are represented by “-”)	2,666,173,718.73	2,440,385,341.02
2. Net profit from discontinuous operation (net losses are represented by “-”)		
(II) Classification by ownership of the equity		
1. Net profit attributable to shareholders of the Parent Company (net losses are represented by “-”)	2,136,268,479.08	1,952,610,308.35
2. Profit or loss attributable to minority shareholders (net losses are represented by “-”)	529,905,239.65	487,775,032.67
VI. Other comprehensive income, net of tax	-416,973,681.83	-333,103,336.79
Other comprehensive income attributable to owners of the Parent Company, net of tax	-370,313,133.76	-287,601,356.58
(I) Other comprehensive income that cannot be reclassified into the profit or loss	-1,616,393.65	-1,958,743.03
1. Changes arising from re-measurement of defined benefit plans	-1,296,966.52	-1,280,674.80
2. Other comprehensive income that cannot be transferred into profit or loss under		

equity method		
3. Changes in fair value of investments in other equity instruments	-319,427.13	-678,068.23
4. Changes in fair value of credit risks of the enterprise		
(II) Other comprehensive income to be reclassified into the profit or loss	-368,696,740.11	-285,642,613.55
1. Other comprehensive income that can be transferred into profit or loss under equity method	-34,948,498.63	-42,701,390.85
2. Changes in fair value of other debt investments		
3. Gain or loss from changes in fair value of available-for-sale financial assets		
4. Reclassified financial assets that are credited to other comprehensive income		
5. Gain or loss arising from reclassification from held-to-maturity investments to available-for-sale financial assets		
6. Credit impairment provision for other debt investments		
7. Reserve for cash flow hedging (Effective portion of gain or loss arising from cash flow hedging)	-16,356,811.45	25,699,770.15
8. Exchange differences on translation of financial statements denominated in foreign currencies	-317,391,430.03	-268,640,992.85
9. Others		
Other comprehensive income attributable to minority shareholders, net of tax	-46,660,548.07	-45,501,980.21
VII. Total comprehensive income	2,249,200,036.90	2,107,282,004.23
Total comprehensive income attributable to the owners of Parent Company	1,765,955,345.32	1,665,008,951.77
Total comprehensive income attributable to the minority shareholders	483,244,691.58	442,273,052.46
VIII. Earnings per share:		
(I) Basic earnings per share(RMB/share)	0.335	0.320
(II) Diluted earnings per share(RMB/share)	0.323	0.317

Legal representative: Liang Haishan Person in charge of accounting function: Gong Wei
Person in charge of accounting department: Ying Ke

Income Statement of the Parent Company

January-March 2019

Prepared by: Qingdao Haier Co., Ltd.

Unit and Currency: RMB Unaudited

Items	First quarter of 2019	First quarter of 2018
I. Operating revenue	653,050,823.21	743,844,065.67
Less: Operation cost	465,367,983.61	533,278,383.46
Taxes and surcharges	4,366,015.94	5,402,608.47
Selling expenses	54,929,009.03	68,121,527.59
Administrative expenses	47,142,099.07	65,562,500.28
R&D expenses	51,156,977.29	42,654,252.11
Financial expenses	72,483,128.32	25,428,042.84
Including: interest expenses	53,825,389.44	59,353,054.62
interest income	10,654,831.16	34,863,886.90
Loss in assets impairment	-573,267.56	
Loss on credit impairment		10,058,187.90
Add: Other incomes	10,540,000.00	5,969,287.05
Investment income (losses are represented by “-”)	26,461,323.35	50,428,218.53
Including: investment income of associates and joint ventures		
Gains on net exposure hedges (losses are represented by “-”)		
Income from change in fair value (losses are represented by “-”)		
Gain from disposal of assets (losses are represented by “-”)		
II. Operating profit (losses are represented by “-”)	-4,819,799.14	49,736,068.60
Add: non-operating income	5,432,063.63	8,370,547.68
Less: non-operating expenses	1,963,024.43	233,919.53
III. Total Profit (total losses are represented by “-”)	-1,350,759.94	57,872,696.75
Less: income tax expense		1,116,671.73
IV. Net Profit (net losses are represented by “-”)	-1,350,759.94	56,756,025.02
(I) Net profit from continuous operations (net losses are represented by “-”)	-1,350,759.94	56,756,025.02
(II) Net profit from discontinuous operations (net losses are represented by “-”)		
V. Other comprehensive income, net of tax	5,214,107.78	7,680,578.08
(I) Other comprehensive income that cannot be reclassified into the profit or loss		-108,758.38

1. Changes arising from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be transferred into profit or loss under equity method		
3 Changes in fair value of investments in other equity instruments		-108,758.38
4.Changes in fair value of credit risks of the enterprise		
(II) Other comprehensive income to be reclassified into the profit or loss	5,214,107.78	7,789,336.46
1. Other comprehensive income that can be transferred into profit or loss under equity method	5,214,107.78	7,789,336.46
2. Changes in fair value of other debt investments		
3. Gain or loss from changes in fair value of available-for-sale financial assets		
4. Reclassified financial assets that are credited to other comprehensive income		
5. Gain or loss arising from reclassification from held-to-maturity investments to available-for-sale financial assets		
6. Credit impairment provision for other debt investments		
7. Reserve for cash flow hedging (Effective portion of gain or loss arising from cash flow hedging)		
8. Exchange differences on translation of financial statements denominated in foreign currencies		
9. Others		
VI. Total comprehensive income	3,863,347.84	64,436,603.10
VII. Earnings per share:		
(I) Basic earnings per share(RMB/ share)		
(II) Diluted earnings per share(RMB/share)		

Legal representative: Liang Haishan Person in charge of accounting function: Gong Wei
Person in charge of accounting department: Ying Ke

Consolidated Cash Flow Statement

January-March 2019

Prepared by: Qingdao Haier Co., Ltd.

Unit and Currency: RMB

Unaudited

Items	First quarter of 2019	First quarter of 2018
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	49,421,675,912.63	45,140,141,162.72
Net increase in customer and interbank deposits		
Net increase in borrowing from the central bank		
Net cash increase in borrowing from other financial institutes		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Cash received from interest, fee and commissions		
Net increase in cash borrowed		
Net increase in cash received from repurchase operation		
Net cash received from securities trading agency services		
Refunds of taxes	285,338,702.71	242,113,942.09
Cash received from other related operating activities	1,096,260,909.89	264,852,616.74
Sub-total of cash inflows from operating activities	50,803,275,525.23	45,647,107,721.55
Cash paid on purchase of goods and services	37,483,129,681.61	32,683,623,829.10
Net increase in loans and advances of customers		
Net increase in deposits in PBOC and interbank		
Cash paid for compensation payments under original insurance contract		
Net increase in financial assets held for trading purposes		
Net increase in placements with banks		
Cash paid for interest, fees and		

commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	5,404,866,583.57	4,555,705,272.24
Cash paid for all types of taxes	2,063,070,287.30	2,205,553,946.08
Cash paid to other operation related activities	4,528,688,984.44	4,032,010,132.85
Sub-total of cash outflows from operating activities	49,479,755,536.92	43,476,893,180.27
Net cash flows from operating activities	1,323,519,988.31	2,170,214,541.28
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,006,225,645.16	124,427,666.14
Cash received from return on investments	142,671,678.53	488,520.47
Net cash received from the disposal of fixed assets, intangible assets and other long term assets	183,509,600.45	88,176,463.21
Net cash received from disposal of subsidiaries and other operating entities		
Cash received from other investment related activities	4,692,533.64	67,249,789.10
Sub-total of cash inflows from investing activities	1,337,099,457.78	280,342,438.92
Cash paid on purchase of fixed assets, intangible assets and other long term assets	1,536,865,993.41	1,766,703,576.13
Cash paid for investments	2,436,314,478.97	251,597,612.40
Net increase in secured loans		
Net cash paid on acquisition of subsidiaries and other operating entities	2,642,988,600.64	
Cash paid on other investment related activities	48,510,922.74	15,000.00
Sub-total of cash outflows from investing activities	6,664,679,995.76	2,018,316,188.53
Net cash flows from investing activities	-5,327,580,537.98	-1,737,973,749.61
III. Cash flows from financing activities:		
Cash received from capital contributions	12,389,310.79	8,278,135.66
Including: cash received from capital contributions by minority shareholders of subsidiaries		
Cash received from borrowings	6,842,877,477.22	3,589,764,080.03

Cash received from issuing bonds		
Cash received from other financing related activities		119,174,742.18
Sub-total of cash inflows from financing activities	6,855,266,788.01	3,717,216,957.87
Cash paid on repayment of borrowings	3,236,695,125.56	5,291,464,063.74
Cash paid on distribution of dividends, profits, or interest expenses	89,327,191.79	38,225,632.87
Including: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid on other financing related activities	304,245,626.88	62,515,783.81
Sub-total of cash outflows from financing activities	3,630,267,944.23	5,392,205,480.42
Net cash flows from financing activities	3,224,998,843.78	-1,674,988,522.55
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-140,942,937.33	-402,254,739.32
V. Net increase in cash and cash equivalents	-920,004,643.22	-1,645,002,470.20
Add: balance of cash and cash equivalents at the beginning of the period	36,044,777,414.04	34,861,907,957.01
VI. Balance of cash and cash equivalents at the end of the period	35,124,772,770.82	33,216,905,486.81

Legal representative: Liang Haishan Person in charge of accounting function: Gong Wei
Person in charge of accounting department: Ying Ke

Cash Flow Statement of the Parent Company

January-March 2019

Prepared by: Qingdao Haier Co., Ltd.

Unit and Currency: RMB Unaudited

Items	First quarter of 2019	First quarter of 2018
I. Cash flows from operating activities:		
Cash received from the sale of goods and rendering of services	453,512,055.88	816,513,664.12
Refunds of taxes	2,857,893.58	2,249,452.13
Cash received from other related operating activities	12,380,281.31	21,182,595.59
Sub-total of cash inflows from operating activities	468,750,230.77	839,945,711.84

Cash paid on purchase of goods and services	13,988,526.97	221,179,942.07
Cash paid to and on behalf of employees	164,517,087.07	131,351,975.78
Cash paid for all types of taxes	15,152,947.75	29,006,267.68
Cash paid to other operation related activities	81,138,568.27	116,047,065.74
Sub-total of cash outflows from operating activities	274,797,130.06	497,585,251.27
Net cash flows from operating activities	193,953,100.71	342,360,460.57
II. Cash flows from investing activities:		
Cash received from disposal of investments		78,325.00
Cash received from return on investments	1,232,418,382.82	12,000,613.55
Net cash received from the disposal of fixed assets, intangible assets and other long term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Cash received from other investment related activities		
Sub-total of cash inflows from investing activities	1,232,418,382.82	12,078,938.55
Cash paid on purchase of fixed assets, intangible assets and other long term assets	18,686,978.91	11,279,152.65
Cash paid for investments	2,164,037,398.72	
Net cash paid on acquisition of subsidiaries and other operating entities		
Cash paid on other investment related activities		
Sub-total of cash outflows from investing activities	2,182,724,377.63	11,279,152.65
Net cash flows from investing activities	-950,305,994.81	799,785.90
III. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received from other financing related activities		758,777,670.99
Sub-total of cash inflows from financing activities		758,777,670.99

Cash paid on repayment of borrowings		
Cash paid on distribution of dividends, profits, or interest expenses	16,258,125.00	
Cash paid on other financing related activities	2,998,907,357.18	
Sub-total of cash outflows from financing activities	3,015,165,482.18	
Net cash flows from financing activities	-3,015,165,482.18	758,777,670.99
IV. Effect of fluctuations in exchange rates on cash and cash equivalents	-3,064,416.93	-1,723.67
V. Net increase in cash and cash equivalents	-3,774,582,793.21	1,101,936,193.79
Add: balance of cash and cash equivalents at the beginning of the period	7,068,899,574.96	2,070,527,802.97
VI. Balance of cash and cash equivalents at the end of the period	3,294,316,781.75	3,172,463,996.76

Legal representative: Liang Haishan

Person in charge of accounting function: Gong Wei

Person in charge of accounting department: Ying Ke

1.2 The implementation of the new financial instrumental standards , the new income standards, new lease standards adjust the first implementation of the relevant items in financial statement at the beginning of year

☒Applicable ☐Not Applicable

The company has implemented the new Financial Instrument Standards and new income standards in advance since 2018. For details, please refer to the 2018 annual report disclosed on the same day as this periodic report. The new lease standards were implemented on 1 January 2019, no retrospective adjustments are required for the company's beginning and year-on-year data.

Explanation of the adjustment of each item

☐Applicable ☒Not Applicable

Others

☐Applicable ☒Not Applicable

1.3 Explanation of the comparative data of prior period in the retrospective adjustment made according to the first implementation of the new financial instruments standards and new lease standards.

☒Applicable ☐Not Applicable

Please refer to the above 1.2.

1.4 Audit report

☐Applicable ☒Not Applicable